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C O N F I D E N T I A L SECTION 01 OF 02 KUALA LUMPUR 000928

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TAGS: [PTER](#) [ETTC](#) [PARM](#) [PGOV](#) [PREL](#) [IR](#) [MY](#)  
SUBJECT: MALAYSIA: AUSTRALIANS, UK AND JAPAN SHARE CONCERNS  
OVER PROLIFERATION, SOUTHERN PHILIPPINES.

REF: A. REF A: KUALA LUMPUR 916  
[1](#)B. REF B: KUALA LUMPUR 917

Classified By: Ambassador James R. Keith for reasons 1.4 (b) and (d).

[1](#)1. (C) Summary: At a private lunch hosted by the Australian High Commissioner in honor of visiting GoA Special Ambassador for Counter-Terrorism Bill Paterson November 11, there was consensus among the participants, to include Ambassador Keith, the UK High Commissioner (HC), and the Japanese that the Malaysians continued to invest adequate political and financial resources on the counter-terrorism front. The accession of PM Najib offered an opening for making headway on counter-proliferation, a growing concern given that CT cooperation with Malaysia was well-established. Like us, the Australians and UK were urging the GoM to pass export control legislation and to work toward building a criminal justice system not dependent on emergency detention ordinances like the Internal Security Act (ISA). On the southern Philippines and the Mindanao peace process, the UKHC and Japanese Ambassador discussed their countries' participation in the upcoming International Contact Group (ICG) talks in KL and expressed hope the talks would move the peace process forward. Malaysia is concerned about its maritime border with the Philippines, reflected in a large troop presence in Sabah, the Malaysian state that directly borders the Philippines. End summary.

[1](#)2. (C) Australian HC Williams hosted a November 11 lunch for Ambassador Paterson as part of his visit to Malaysia to meet with senior GoM officials on CT and CP issues, itself a reflection of increasing attention from Canberra, especially on the CP front. Paterson told the assembled Ambassadors and High Commissioners that he had been impressed by a change in tone among his GoM interlocutors compared to previous visits to Malaysia. Paterson and the Ambassadors and High Commissioners (HC) agreed that the change was due to PM Najib, who was interested in promoting improved relations with the West and, rhetorically at least, was willing to countenance a supplement to Malaysia's traditional focus on the Middle East and the Non-Aligned Movement. Najib was very much the center of gravity in the GoM, with a strong sense of where Malaysia needed to go. The Malaysians were now showing a willingness to cooperate across a broad spectrum of issues, for example deliberating with the U.S., UK and Australia on how they could contribute to the international effort in Afghanistan. Nonetheless, like most Malaysian politicians the PM's priority was political survival, and his commitment to reform had to be seen in this light.

[1](#)3. (C) High on Najib's to-do list was the reform of the ISA. Ambassador Paterson pointed out that he had brought up the ISA issue in his meetings. Ambassador Keith, UKHC McCleary and Australian HC Williams discussed their individual efforts to convince the Malaysians that ISA reform was important in two very distinctly separate respects: (1) It should not be used to intimidate or attack legitimate peaceful expression of political views and (2) it should not be used as a crutch

by prosecutors and police who needed to learn instead how to make cases and win convictions in a robust, politically independent judicial system. Based on comments from the PM and from Home Minister Hishammuddin, the government appeared committed to making changes to the ISA this parliamentary session, putting some limits on the power of the Home Ministry, but the government had no intention of abandoning the Act, since it was deemed necessary and effective.

14. (C) The Australian and UK HCs both expressed disappointment with the Southeast Asia Regional Center for Counter-Terrorism (SEARCCT), Malaysia's center for CT training which has been "moribund," in the UKHC's words, for the past several years. But they felt it wasn't completely a lost cause and would continue to work with the institution, encouraging SEARCCT's new director to look for opportunities to raise the organization's profile.

15. (C) On the policy level, there was still much to be done to build interagency cooperation, and, at a later date, there was potential for cooperation between the Malaysians and other countries in the region to improve CT law enforcement links. A big unknown in the CT effort, Ambassador Paterson pointed out, was the use of the internet as a potential recruitment and propaganda tool by terrorist groups. Governments throughout the region were trying to grapple with this issue. Patterson noted that the issue presented serious potential policy conflicts that Canberra had yet to resolve.

16. (C) Ambassador Paterson shared Ambassador Keith's view that the CT picture had improved greatly in recent years, and regional governments had become much more effective at

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combating the threat. Australia and the UK were beginning to focus their attention on counter-proliferation, an area where the Malaysians had much farther to go. CP was also an issue of great concern to the U.S., Ambassador Keith indicated, and he provided a readout on Special Representative Robert Einhorn's recent visit to Malaysia (refs A and B). The other Ambassadors/HC's concurred that Malaysia was not where it needed to be in terms of cooperating with the international community on CP. In fact, Ambassador Paterson said, the real focus of his trip to Malaysia had been to encourage the Malaysians on this front; convincing the Malaysians to pass an export control law was an important goal of the Australian government. The Malaysians still lacked the will to tackle proliferation, and without effective export control legislation the country was vulnerable to countries with nuclear ambitions, notably Iran, using it as a transshipment point. UKHC McCleary reminded the group of recent Proliferation Security Initiative (PSI) exercises in Singapore and wondered whether the time was right for PSI member states to approach the Malaysians to encourage them to join the initiative.

17. (C) The UKHC noted that the UK would be one of four countries composing the newly-formed International Contact Group (ICG) to assist with peace negotiations between the Moro Islamic Liberation Front (MILF) and the Philippine Government. HC McCleary said the first talks would take place in KL later in November, following bilateral discussions between the GoP and the MILF in KL, facilitated by Malaysian diplomat Datuk Othman. Japanese Ambassador Masahiko Horie added his government would send a representative to the ICG meetings in the form of the Japanese Ambassador to Manila. The Japanese and UK Missions had been discussing the upcoming talks, but so far had had no contact with the other two ICG members, Saudi Arabia and Turkey, regarding their expectations or strategies for the first ICG meeting. HC McCleary noted that the GoP was not particularly happy with the performance of Datuk Othman, and did not see him as an honest broker in the negotiations. The group felt on balance, though, that Othman had done a credible job of maintaining impartiality between the GoP and the MILF.

KEITH